<u>REMARKS</u>

This application has been reviewed in light of the Office Action dated October 3, 2008. Claims 1-17, 19, and 20 are presented for examination, of which Claims 1, 15, and 17 are in independent form. Favorable reconsideration is requested.

The Office Action rejected Claims 15 and 16 under 35 U.S.C. § 102(e) as being anticipated by U.S. Patent No. 6,185,307 (*Johnson*); rejected Claims 1-7, 9-12, and 14, 19, and 20 under 35 U.S.C. § 103(a) as being unpatentable over U.S. Patent No. 6,671,358 (*Seidman et al.*, hereinafter "*Seidman*"), as supported by U.S. Provisional Application 60/286,309 (*Seidman et al.*, hereinafter "*Seidman_P*"), in view of *Johnson*; rejected Claims 8 and 13 under § 103(a) as being unpatentable over *Seidman*, as supported by *Seidman_P*, in view of *Johnson*, and in further view of Official Notice; and rejected Claims 17 under § 103(a) as being unpatentable over *Johnson*, in view of *Seidman*, as supported by *Seidman_P*, and in further view of U.S. Patent Application No. 2002/0111919 (*Weller*). Applicants respectfully traverse these rejections and submit that independent Claims 1, 15, and 17, together with the claims dependent therefrom, are patentably distinct from the cited art for at least the following reasons.

<u>Independent Claim 1</u>

Claim 1 recites, in part, "<u>wherein the transaction device random number is used to lookup a previously stored decryption key</u> for decrypting at least one of the transaction device identifier and the transaction device authentication tag, the transaction device random number having been received from the RFID transaction device" (emphasis added).

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The Office Action admits that *Seidman* does not explicitly disclose the above quoted recitation of Claim 1, *inter alia,* and then looks to *Johnson* as teaching the admittedly lacking features of *Seidman. See* the Office Action, page 3.

As best understood by Applicants, *Johnson* fails to use a transaction device random number to lookup a previously stored decryption key. *Johnson* apparently authenticates various tags 100 at a host 300 using a DES encrypted value produced by the tag 100. *See Johnson,* Col. 10, lines 31 and 32. A POS device "relays the tag ID, the encrypted random number received from the tag 100 and the random number to the host 300 without modification . . . ." *Id.* lines 44-47. "Upon receipt of the tag ID from the POS device 200, **the host 300 calculates (or looks up) the main tag key for the tag 100 using the tag ID** and the secret master keys in the same manner as the main tag key was initially created." *Id.* lines 49-55 (emphasis added). Hence, *Johnson* utilizes the tag ID, and not the random number, to lookup a main tag key.

Nothing has been found in *Johnson* that teaches or reasonably suggests "the transaction device random number is used to lookup a previously stored decryption key for decrypting at least one of the transaction device identifier and the transaction device authentication tag, the transaction device random number having been received from the RFID transaction device," as recited by Claim 1 (emphasis added).

Furthermore, nothing has been found in *Weller* to cure the aforementioned deficiencies of *Weller.*

For at least these reasons, Applicants submit that the Office cannot sufficiently establish a *prima facie* case of obviousness against Claim 1 in view of the cited art and other concepts alleged by the Office to be well known at the time of Applicants' invention, and that the various proposed combinations of *Seidman, Johnson, Weller,* and

other concepts alleged by the Office to be well known at the time of Applicants' invention, even if deemed legally permissible or technically feasible, would fail to arrive at Claim 1. Accordingly, the rejection under 35 U.S.C § 103(a) is deemed obviated, and its withdrawal is respectfully requested.

Independent Claim 15

Independent Claim 15 includes some features similar to those discussed above with respect to Claim 1. Therefore, that claim is also believed to be patentable under a similar rationale as discussed above.

Independent Claim 17

Claim 17, recites, in part, "validating, at the account issuer, the transaction device . . . <u>wherein the transaction device random number is used to decrypt at least one of the transaction device identifier and the transaction device authentication tag</u>, the transaction device random number having been received from the transaction device" (emphasis added).

As best understood by Applicants, *Johnson* fails to use a random number for decryption. As discussed above, *Johnson* apparently ". . . calculates (or looks up) the main tag key for the tag 100 using the tag ID and the secret master keys in the same manner as the main tag key was initially created." *Id.* lines 49-55 (emphasis added). Then, to authenticate a tag, the host 300 encrypts "the random number using the recalculated main tag key and compares the result to the encrypted random number received from the tag 100." *Id.* lines 56-59. If the encrypted values match then the tag 100 is a valid tag. *Id.* lines 59-61. Hence, instead using a random number to decrypt an ID for authentication,

Johnson instead encrypts the random number for comparison to the received encrypted random number.

Nothing has been found in *Johnson* that teaches or reasonably suggests "validating, at the account issuer, the transaction device . . . <u>wherein the transaction device random number is used to decrypt at least one of the transaction device identifier and the transaction device authentication tag</u>, the transaction device random number having been received from the transaction device," as recited by Claim 17 (emphasis added).

Additionally, the Office Action concedes that *Johnson* and *Seidman* do not disclose any of the transaction device reader authentication features of Claim 17 and then looks to *Weller*, paragraph 99 as teaching these admittedly lacking features. Applicants have carefully reviewed that portion of *Weller*, and *Weller* as a whole, and are unable to locate any instance of a transaction device reader being authenticated much less, a transaction device reader being authenticated in the manner recited by Claim 17.

For at least these reasons, Applicants submit that the Office cannot sufficiently establish a *prima facie* case of obviousness against Claim 17 in view of the cited art and other concepts alleged by the Office to be well known at the time of Applicants' invention, and that the various proposed combinations of *Seidman*, *Johnson*, *Weller*, and other concepts alleged by the Office to be well known at the time of Applicants' invention, even if deemed legally permissible or technically feasible, would fail to arrive at Claim 17. Accordingly, the rejection under 35 U.S.C § 103(a) is deemed obviated, and its withdrawal is respectfully requested.

The other rejected claims in this application depend from one or another of the independent claims discussed above and, therefore, are submitted to be patentable for at least the same reasons. Since each dependent claim also is deemed to define an

additional aspect of the invention, individual reconsideration of the patentability of each

claim on its own merits is respectfully requested.

Applicants' undersigned attorney may be reached in our New York office

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